

REGISTRATION NO. 27186 FILED

SEP 28 '07 -3 4 5 PM

SURFACE TRANSPORTATION BOARD

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OF COUNSEL
URBAN A. LESTER

September 28, 2007

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Mortgage, dated as of September 28, 2007, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Debtor: Babcock & Brown Rail Funding LLC
885 Second Avenue
49th Floor
New York, NY 10017

[Secured Party: Bayerische Hypo-Und Vereinsbank AG, Agent
FPA 4 Lease/Asset Finance
Am Tucherpark 1 (FPA)
80538 Munich
Germany]

Mr. Vernon A. Williams
September 28, 2007
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A description of the railroad equipment covered by the enclosed document is:

41 covered hopper railcars within the series BNBX 122029 – BNBX 122101 as more particularly set forth in the attachment to the document.


A short summary of the document to appear in the index is:

Memorandum of Mortgage.

Also enclosed is a check in the amount of \$35.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/sem
Enclosures

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF MORTGAGE

Memorandum of Mortgage, made and entered into as of September 28, 2007 between **BABCOCK & BROWN RAIL FUNDING LLC** (the "Debtor") and **BAYERISCHE HYPO-UND VEREINSBANK AG**, as Agent under the Security Agreement referred to below (together with its successors and permitted assigns, the "Secured Party"). Terms used in this instrument have the meanings assigned thereto in the Second Amended and Restated Security Agreement dated as of September 21, 2007 (as supplemented, including by Security Agreement Supplement No. 63 dated the date hereof, the "Security Agreement") between the Secured Party and the Debtor.

WITNESSETH:

The undersigned and the Secured Party have entered into the Security Agreement, by which the Debtor has granted a security interest in certain railroad equipment bearing reporting marks and road numbers as listed on Exhibit A attached hereto and in each document referred to on Exhibit B attached hereto to the Secured Party in order to secure the Debtor's performance of its obligations as described in the Security Agreement.

IN WITNESS WHEREOF, the party hereto has caused this memorandum to be duly executed by its officer duly authorized as of the date and year first above written.

**BABCOCK & BROWN RAIL FUNDING
LLC**

By: 

Name: Larry Littlefield

Title: Vice President

STATE OF CONNECTICUT)
) ss.:
COUNTY OF FAIRFIELD)

On September 26, 2007, before me, Linda Ardito , Notary Public,
personally appeared Larry Littlefield, personally known to me to be the person whose name is
subscribed to the within instrument and acknowledged to me that he executed the same in his
authorized capacity, and that by his signature on the instrument the person, or the entity upon
behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Linda Ardito

LINDA ARDITO
Notary Public
State of Connecticut
My Commission Expires April 30, 20 10

Notary Public

Memorandum of Mortgage

Exhibit A
to Memorandum of Mortgage

EQUIPMENT

<u>Lessee</u>	<u># Cars</u>	<u>Year Built</u>	<u>Manufacturer</u>	<u>AAR Code</u>	<u>Description</u>	<u>Reporting Marks</u>	<u>Casualty Marks</u>
None	41	2007	Trinity North American Freight Car, Inc.	C114	6351 CF Quadruple Covered Hopper Railcars, 286,000 lbs GRL	BNBX 122029, 122032, 122040, 122041, 122043, 122046, 122057-122059 inclusive, 122061, 122062, 122065-122070 inclusive, 122072-122084 inclusive, 122086, 122087, 122089, 122090, 122092-122094 inclusive, 122096, 122097, 122100, 122101	None

Together with all substitutions, replacements and renewals of the property above described, and all property which shall hereafter become physically attached to or incorporated in the property above described, whether the Debtor now has rights therein or such rights shall hereafter be acquired by it.

LIST OF LEASES AND OTHER OPERATIVE AGREEMENTS

Letter Agreement dated August 11, 2006 between Trinity North American Freight Car, Inc. and Babcock & Brown Rail Funding LLC to the extent the same relates to the Equipment described in Schedule I hereto.

Warranty Bill of Sale dated as of September 28, 2007 from Trinity North American Freight Car, Inc. to Babcock & Brown Rail Funding LLC and Certificates of Acceptance executed by Babcock & Brown Rail Funding LLC to the extent the same relates to the Equipment described in Schedule I hereto.

Together with all substitutions, replacements and renewals of the property above described, whether the Debtor now has rights therein or such rights shall hereafter be acquired by it.

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 9/28/07



Robert W. Alvord